

Losing a job is like taking a punch to the gut. And too many of our friends and neighbors -- hard-working and responsible people -- have recently lost jobs through no fault of their own. The May Labor Report indicated that another 345,000 jobs were lost last month and the nationwide unemployment rate has hit 9.4%, the highest in twenty five years. Last month's report noted that our area has some of the highest jobless rates in the country. While Northern California has historically experienced high seasonal unemployment rates, our area has been hard hit by burdensome environmental regulations and state policies with strong negative impact on local businesses. The statistics reflect the painful reality facing men and women who are willing to work, but who cannot find a job.

Government needs to respond, but in an effective way. Some policymakers have advocated huge amounts of government spending to create public works projects. While I support infrastructure projects in general, they only create temporary jobs. When the project is finished, the jobs vanish. Sustainable growth and job creation comes from the private sector. Today America has the unfortunate distinction of having the second highest business tax rate in the world. President Reagan's tax relief and pro-business reforms lifted us out of the malaise of the 1970's and unleashed decades of prosperity by emphasizing the power of individuals and small businesses over government. Congress needs to follow suit and encourage investment in Northern California and across America by reducing the tax burden on small businesses and entrepreneurs to foster an environment where businesses can grow and new ones can start up. Currently, our state and federal governments are hampering small businesses through a host of burdensome regulations and taxes.

Case in point: in 2006, California adopted the most restrictive environmental legislation anywhere in our nation. Assembly Bill 32 requires a 25 percent reduction in man-made carbon dioxide emissions within 13 years. The costs to business and consumers will be crushing. California's business costs are already at least 20 percent higher than the average state's.

We need look no further than the decimated forest products industry or our tenuous water supply situation to see the effects of well-intentioned but tragically unbalanced regulations. We have lost dozens of once bustling timber mills, and hundreds of family wage jobs, due to regulations designed to protect the forest. In 2001, 1,200 family farmers in the Klamath Basin in Northern California had their water supplies temporarily shut off and their local farming economy devastated by an Endangered Species Act-driven decision, which mandated that 100% of available water was to be diverted for controversial environmental policies. I will continue to fight for reforms to these out-of-touch environmental policies.

But even if federal regulations were reformed, the harsh reality remains that California has enacted so many counterproductive laws that our state is not competitive for jobs. The Tax Foundation places California 48th in the country for business-friendly tax climate. California is over regulating, overtaxing, and overspending. Given this record, it is not surprising that a poll of business executives conducted last year by Development Counselors International, which advises companies on where to locate their facilities, tabbed California as the worst state to do business in.

We must learn from President Reagan's examples and I will continue to urge legislators must put politics aside and simply learn from what worked in the past.